

STATE OF CALIFORNIA  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
INSTRUCTIONS FOR FORM 2110

I. General

Form 2110 is used in cases where a corporation ("applicant") applies for a license to engage in the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries pursuant to Chapter 14 (commencing with Section 1800) of Division 1 of the Financial Code.

Two (2) copies of the application must be accompanied by a nonrefundable filing fee in accordance with Financial Code Section 1801.

II. The information should include, in addition to the information called for on the facing page, the following information and documents, which should be attached to the facing page:

A. Authorizations of the Applicant's Board of Directors

1. Provide a copy of a resolution of the board of directors of the applicant:
  - (a) Authorizing the applicant to apply for a license to engage in the business of receiving money for the purpose of transmitting the same or its equivalent to foreign countries;
  - (b) Authorizing the Commissioner of Financial Institutions ("Commissioner") to examine the applicant in connection with the application;
  - (c) Authorizing and directing all directors, officers, and employees of the applicant and any person having custody of any of the records of the applicant, to furnish to the Commissioner such information, and to permit the Commissioner to inspect and copy such records, as the Commissioner may request in connection with the application;
  - (d) Authorizing any bank or other financial institution with which the applicant has transacted business to furnish to the Commissioner such information, and to permit the Commissioner to inspect and

copy such records, as the Commissioner may request in connection with the application; and,

- (e) Authorize any government agency which licenses or regulates transmitters of money abroad, issuers of payment instruments, issuers of travelers checks, or other financial institutions and which has information or records regarding the applicant, to furnish to the Commissioner such information, and to permit the Commissioner to inspect and copy such records, as the Commissioner may request in connection with the application.
2. The copy of the resolution of the board shall be certified by the secretary or by an assistant secretary of the applicant.

B. Information Regarding History and Business

1. Summarize the history of the applicant.
2. Describe the business of the applicant. If applicant has been or is now engaged in the transmission business without first obtaining a license from the Commissioner, provide details as to length of time engaged in such business, amount of funds transmitted and reason for not obtaining a license.
3. Explain the reason or reasons why applicant wishes to engage in the transmission business.
4. Provide the name, business address, and telephone number of at least two banking and two business references.
5. If any of the following has occurred or is pending with respect to the applicant, any person who controls the applicant, or any director or officer of the applicant or of any person who controls the applicant, or any significant subsidiary<sup>1</sup> of the applicant, describe the circumstances:
  - (a) Any court or governmental agency has, for any reason, suspended or revoked any license or other authorization or qualification to engage in any profession, occupation, vocation, or other business activity;

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<sup>1</sup>As used throughout this form, "Significant Subsidiary" has the meaning set forth in 10 California Code of Regulations (hereinafter "CCR"), Section 80.174.

- (b) An application has been made for reorganization, arrangement, or other relief under any bankruptcy, reorganization, insolvency, or moratorium law;
- (c) An application has been made by a third party for the appointment of a receiver, fiscal agent, or similar officer for other relief of the kind described in subparagraph (b) above;
- (d) Suffered judgement in any civil action based upon conduct involving fraud or dishonesty; or,
- (e) Been convicted of, pleaded nolo contendere to, or is being charged with, any crime relating to the business of transmitting money abroad, the business of issuing or selling payment instruments, the business of banking, the business of a bank holding company, the securities business, or any crime involving fraud or dishonesty.

C. Information Regarding Directors, Executive Officers<sup>2</sup> and 10% Equity Security Owners<sup>3</sup>

1. Provide a list showing, with respect to each individual who is a director, executive officer or 10% equity security owner of applicant:
  - (a) Name;
  - (b) Social security number; and,
  - (c) Title of each position held with applicant.
2. Provide a Confidential Resume and a current Personal Financial Statement each completed and signed as of a date within 90 days before the filing of the application by each director, executive officer, or 10% equity security owner of applicant. (Use Interagency Biographical and Financial Report or Department of Financial Institutions Forms 2 and 3.)
3. Describe the amount and type of equity securities<sup>4</sup> of applicant owned by each 10% equity security owner.

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<sup>2</sup>As used throughout this form, "Executive Officer" has the meaning set forth in CCR, Section 10.131.

<sup>3</sup>As used throughout this form, "\_\_\_Percent Equity Security Owner" has the meaning set forth in CCR, Section 80.152.

<sup>4</sup>As used throughout this form, "Equity Security" has the meaning set forth in CCR, Section 80.161.

4. Provide the name, contact persons, address and telephone number of at least two banking and two business or personal references for each individual who is an executive officer, director or 10% equity security owner of applicant.
5. Provide written authorizations signed by, and for, each individual who is an executive officer, director, or 10% equity security owner authorizing the Commissioner to obtain information regarding their deposit and credit relationships with financial institutions, and general business background from business and personal references.

D. Information Regarding Corporate Matters

In case applicant is a California corporation<sup>5</sup>, provide a Certificate of Good Standing issued by the Secretary of the State of California as of a date within 30 days before the filing of the application certifying that applicant is a corporation which is duly organized, subsisting, and in good standing under the laws of the State of California.

(In case applicant is a foreign corporation<sup>6</sup>, and the application is approved, applicant shall be required, not less than five business days before being issued a license, to file with the Commissioner a Certificate of Good Standing - Foreign Corporation of the Secretary of State of the State of California, certifying that applicant has qualified to transact intrastate business in the State of California and is in good corporate standing under the laws of the State of California.)

E. Information Regarding Legal Proceedings

If applicant or any significant subsidiary of applicant is a party to, or any property of applicant or of any significant subsidiary of applicant is subject of, any proceeding pending before any court or governmental agency, describe such proceeding, including:

1. Title of proceeding;
2. Name and address of the court or of the governmental agency before which the proceeding is pending;
3. Names of the principal parties to the proceeding;
4. Date the proceeding was commenced;

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<sup>5</sup>As used throughout this form, "California Corporation" has the meaning set forth in CCR, Section 80.158.

<sup>6</sup>As used throughout this form, "Foreign Corporation" has the meaning set forth in CCR, Section 80.164.

5. Description of factual basis alleged to underlie the proceeding;
6. Relief sought in the proceeding; and,
7. Status of the proceeding.

If applicant is aware of any proceeding currently contemplated by any governmental agency, describe such proceedings, including information comparable to the information called for in paragraphs 1 to 7, inclusive, above.

F. Information Regarding Marketing Plan

1. Identify the geographical area in the State of California where applicant proposes to receive money for transmission to foreign countries;
2. Describe applicant's plan for establishing its transmission business and achieving a share of the transmission business in the market area identified above.
3. List the countries to which applicant proposes to transmit funds.

The list should include the following data:

- (a) The legal requirements applicant must satisfy in each country in order to transmit funds to that country;
  - (b) Those countries where the applicant has already satisfied the legal requirements; and
  - (c) Actions being taken to satisfy, and the anticipated date applicant will satisfy, the legal requirements for all remaining countries.
4. Describe in detail the proposed mode of operation for conducting the transmission business, including the name and address of any affiliate<sup>7</sup> of applicant, agent of applicant, or correspondent bank in the destination country.
  5. State the highest, lowest, and average number of days that applicant estimates will elapse between receipt of funds, forwarding of funds, and delivery of funds.

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<sup>7</sup>As used throughout this form, "Affiliate" has the meaning set forth in CCR, Section 10.107.

6. Indicate the expected principal language which the applicant will use to advertise, solicit, or negotiate, either orally or in writing, and the reason(s) for such expectation.

Describe the manner in which the applicant will monitor its operations to determine the principal language used to advertise, solicit, or negotiate, either orally or in writing.

7. If applicant maintains or proposes to maintain a fidelity bond, describe such fidelity bond.

#### G. Information Regarding Other Offices and Agents

If applicant has or proposes to have offices or agents outside of California, provide:

1. The current number of offices of applicant located outside of California;
2. The estimated number of offices of applicant outside of California as of the end of one year;
3. The current number of agent offices located outside of California; and,
4. The estimated number of agent offices located outside of California as of the end of one year.

#### H. Information Regarding Financial Statements

Provide the following financial statements of applicant (if audited statements are available, please provide them).

Each financial statement must be certified as correct by the chief financial officer of the corporation.

1. A current (within 60 days) balance sheet.

Provide documentation to support asset values for any asset which represents 10% or more of total assets.

2. If the balance sheet called for in paragraph (1) above is not as of the end of a fiscal year of applicant, a balance sheet as of the end of the immediately preceding fiscal year of applicant.

3. Statement of income and statement of changes in shareholders' equity for each of the three fiscal years immediately preceding the date of the balance sheet called for in paragraph (1) above, and if such balance sheet is not as of the end of a fiscal year of applicant, a statement of income for the interim period from the date of the balance sheet called for in paragraph (2) above to the date of the balance sheet called for in paragraph (1) above.

#### I. Information Regarding Pro Forma Financial Statements

1. Provide projections for the first three years, to include monthly receipt of transmission money and average daily transmission liability outstanding on a monthly basis. Include the basis for the projections.
2. Provide a pro forma balance sheet for the business as of the end of each quarter of the first year, as of the end of each half of the second year, and as of the end of the third year. Include the basis for the projections.
3. Provide a pro forma statement of income for each quarter of the first year, for each half of the second year, and for the third year of business. Include the basis for the projections.

#### III. Fingerprints

One California Department of Justice Bureau of Criminal Identification Form BID-7 (as most recently revised) or Live Scan must be completed by the following persons:

1. Each executive officer and each director of the applicant;
2. Each person who controls the applicant; and,
3. Each executive officer and each director of each person who controls the applicant.

The fingerprint cards or Live Scan receipt must be submitted with the application. Each person fingerprinted should complete the appropriate boxes requesting personal information.

Fingerprints must be taken at a law enforcement agency or a Live Scan Service Center. A list of Live Scan Service Centers is available at <http://caag.state.ca.us/fingerprints/index.htm>. It may be necessary to arrange an appointment for fingerprinting, and the applicant is responsible for any fee charged. In addition, for BID-7's, a processing fee at the current rate charged by the California Department of Justice, must accompany each form submitted.

#### IV. Security

Sections 1811 and 1812 of the Financial Code specify the security required for the timely and proper delivery of transmission money.

Indicate how the applicant proposes to comply with these sections of the law, including general manner and the proposed amount of the deposit.

#### V. Additional Information

The Commissioner reserves the right to request such additional information as the Commissioner deems necessary in connection with the application.